



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277
Fax: (313) 226-3561*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

June 24, 2005

EVENT: Guilty Verdict

DEFENDANT: Joseph Hudson, age 49, Wyandotte, MI

Former River Rouge School District Employee Found Guilty of Fraud

Stephen J. Murphy, United States Attorney and Daniel D. Roberts, Special Agent in Charge Federal Bureau of Investigation announced that Joseph Hudson, age 49, of Wyandotte, Michigan, was found guilty today, following a three-day jury trial, of two counts of unlawfully converting to his own use property belonging to the River Rouge School District, and one count of conspiring to convert property belonging to the River Rouge School District.

Assistant U.S. Attorney John Engstrom, who prosecuted the case, said that "The evidence presented at trial established that the River Rouge School District retained Mr. Hudson to work in its local television studio, and its document production studio. While working on behalf of the district, Mr. Hudson conspired with two outside vendors to create and submit fraudulent invoices for goods -- such as audio/video equipment, cameras, lumber and construction materials -- and services that were never provided. On many occasions, Hudson would fraudulently sign on behalf of the district for receipt of phantom products and initiate the payment process on the fake invoices. Through various similar schemes, Hudson fraudulently converted approximately \$200,000 of the district's funds to his own use over a two period."

Each count of conviction carries maximum sentence of 10 years, and possible fines.

The case arose from a larger investigation conducted by the Federal Bureau of Investigations, which has already led to the conviction of the then-Superintendent of the River Rouge Schools, Benjamin Benford, for extortion, and Leon Higgins – an outside vendor, associated with Ideal Communications, Inc. – for conspiring with Mr. Hudson in his scheme to unlawfully convert assets of the River Rouge School District.